

Q3

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 Palantir

2022

Business Update



This presentation contains “forward-looking” statements within the meaning of the federal securities laws, and these statements involve substantial risks and uncertainties. All statements other than statements of historical fact could be deemed forward-looking, including, but not limited to, statements regarding our financial outlook, product development, distribution, and pricing, expected benefits of and applications for our software platforms, business strategy and plans (including strategy and plans relating to our sales and marketing efforts, sales force, partnerships, and customers), investments in our business, market trends and market size, expectations regarding any current or potential customers, partnerships, or other business relationships or initiatives, opportunities (including growth opportunities), our expectations regarding our recent and potential investments in, and commercial contracts with, various entities, our expectations regarding macroeconomic events and foreign currency fluctuations, and positioning, as well as assumptions relating to the foregoing. Forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified. In some cases, you can identify forward-looking statements by terminology such as “guidance,” “expect,” “anticipate,” “should,” “believe,” “hope,” “target,” “project,” “plan,” “goals,” “estimate,” “potential,” “predict,” “may,” “will,” “might,” “could,” “intend,” “shall,” and variations of these terms or the negative of these terms and similar expressions. You should not put undue reliance on any forward-looking statements.

Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved, if at all. Forward-looking statements are subject to a number of risks and uncertainties, many of which involve factors or circumstances that are beyond our control. Our actual results could differ materially from those stated or implied in forward-looking statements due to a number of factors, including but not limited to risks detailed in our filings with the Securities and Exchange Commission (the “SEC”). You can locate these reports on our investor relations website (investors.palantir.com) or on the SEC website (www.sec.gov). If the risks or uncertainties ever materialize or the assumptions prove incorrect, our results may differ materially from those expressed or implied by such forward-looking statements. Except as required by law, we assume no obligation and do not intend to update these forward-looking statements or to conform these statements to actual results or to changes in our expectations.

We use the non-GAAP financial measures adjusted free cash flow; adjusted gross profit and adjusted gross margin; billings; adjusted operating income and adjusted operating margin; adjusted earnings per share (“EPS”), diluted; and adjusted expenses to help us evaluate our business, identify trends affecting our business, formulate business plans and financial projections, and make strategic decisions. Our definitions may differ from the definitions used by other companies and therefore comparability may be limited. In addition, other companies may not publish these or similar metrics. Further, these metrics have certain limitations in that they do not include the impact of certain expenses that are reflected in our consolidated statements of operations. Thus, these non-GAAP financial measures should be considered in addition to, not as a substitute for, or in isolation from, measures prepared in accordance with GAAP. We compensate for these limitations by providing reconciliations of these non-GAAP financial measures to the most comparable GAAP measures. A reconciliation of non-GAAP guidance measures to corresponding GAAP measures is not available on a forward-looking basis without unreasonable effort due to the uncertainty regarding, and the potential variability of, reconciling items that may be incurred in the future, such as stock-based compensation and related employer payroll taxes, the effect of which may be significant. We encourage investors and others to review our business, results of operations and financial information in its entirety, not to rely on any single financial measure, and to view these non-GAAP financial measures in conjunction with the most directly comparable GAAP financial measures.

This presentation may contain statistical data, estimates and forecasts that are based on independent industry publications or other publicly available information, as well as other information based on our internal sources. This information involves many assumptions and limitations, and you are cautioned not to give undue weight to these estimates. We have not independently verified the accuracy or completeness of the data contained in these industry publications and other publicly available information. Accordingly, we make no representations as to the accuracy or completeness of that data nor do we undertake to update such data after the date of this presentation.

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This presentation may refer to various growth rates when discussing our business. These rates reflect year-over-year comparisons unless otherwise stated.

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By attending or receiving this presentation you acknowledge that you will be solely responsible for your own assessment of the market and our market position and that you will conduct your own analysis and be solely responsible for forming your own view of such information, including the potential future performance of our business.

Q3 2022 Highlights

→ Revenue grew +22% Y/Y to \$478 million in Q3 2022

→ Our US revenue grew +31% Y/Y to \$297 million in Q3 2022

→ US Commercial revenue grew 53% Y/Y in Q3 2022

→ Our Government business surpassed the \$1 billion revenue mark on a TTM basis

→ Customer count increased +66% Y/Y to 337, up from 203 a year ago

→ +93% Y/Y TCV closed of \$1.3 billion

→ +63% Y/Y Deals closed of 273, up from 167 a year ago

Thank you to our FoundryCon customer speakers.



Morgan Stanley



Jacobs





We've had about 20 different projects. We've created over \$200 million in value savings... That's really hard to beat.



Scott Spradley
CTO of Tyson Foods

Strategic Outcomes Through Partnership



~20 Projects



\$200M Value



24 Months



Transformation

"The applications we have built on Foundry not only provide insights, they enable both manual and automated actions on those insights. This platform, and the partnership have transformed the way we are managing our supply chain within Tyson Foods. It is far more than a labor take-out or a set of reports, it is in fact the basis for an intelligent supply chain that can dynamically respond without human intervention."

Lee Slezak, VP Insights-as-a-Service



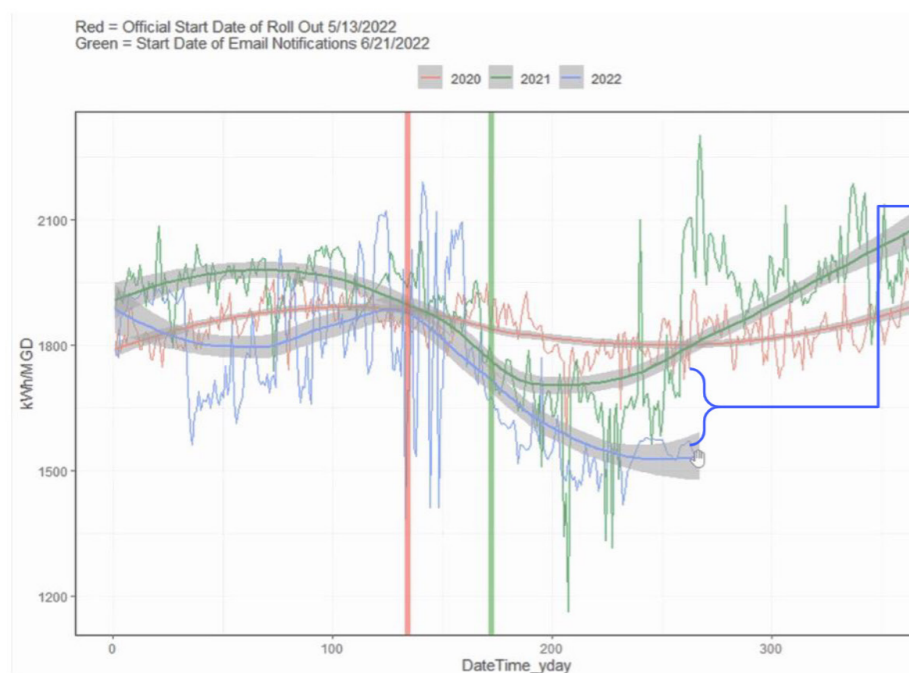


...we dropped 20% at this particular site...That's direct money for us...because we have 300 sites. You can do the math.

Jacobs

John Rickermann
MD of Jacobs

Power/Chemical Use Case - Results



On track to save
\$300,000
per year

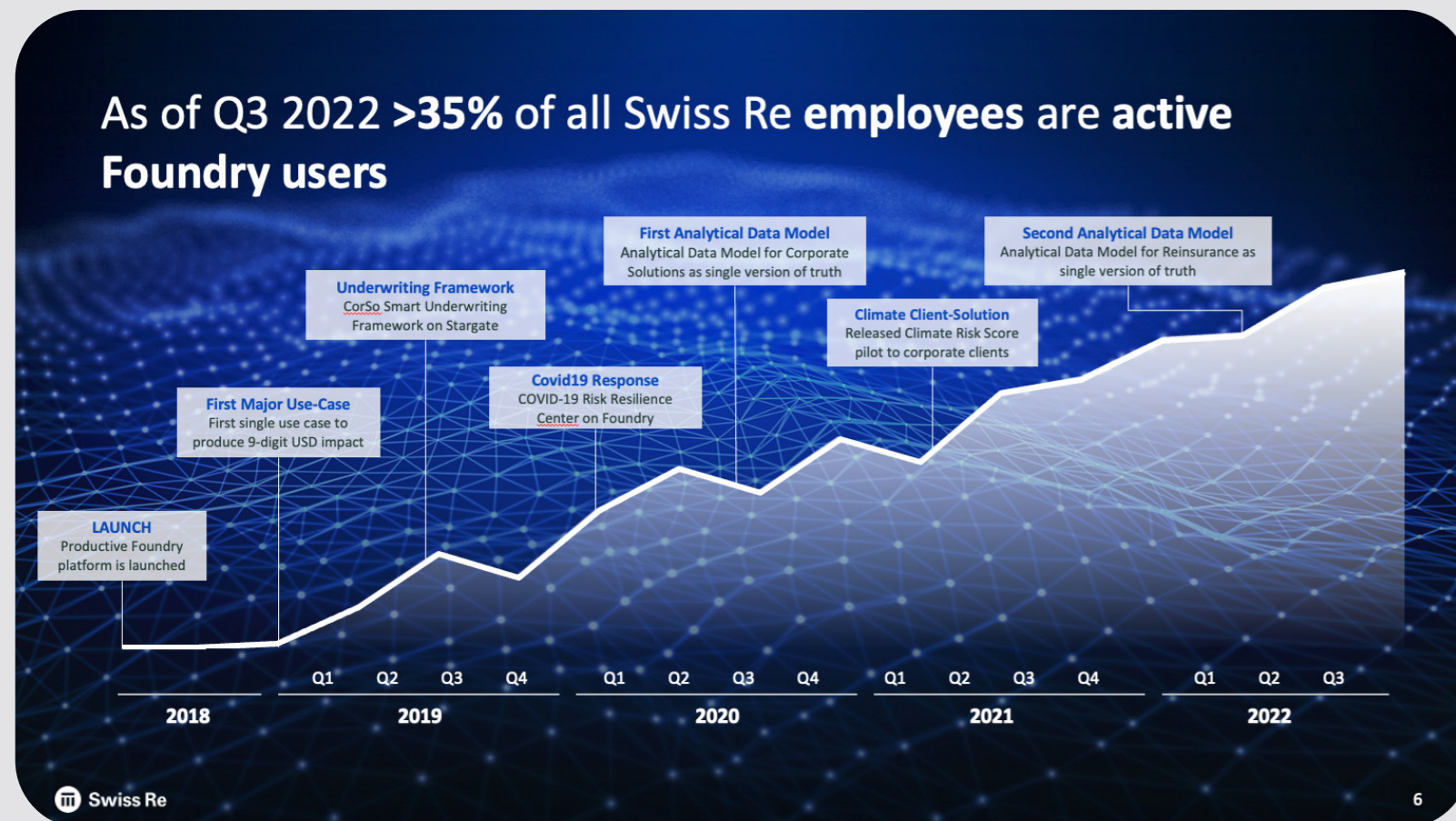




First single use case to produce 9-digit USD impact — and now over 1/3 of the company is an active Foundry user.



Ian Haycock
Group CDO and CITO of Swiss Re Corporate Solutions



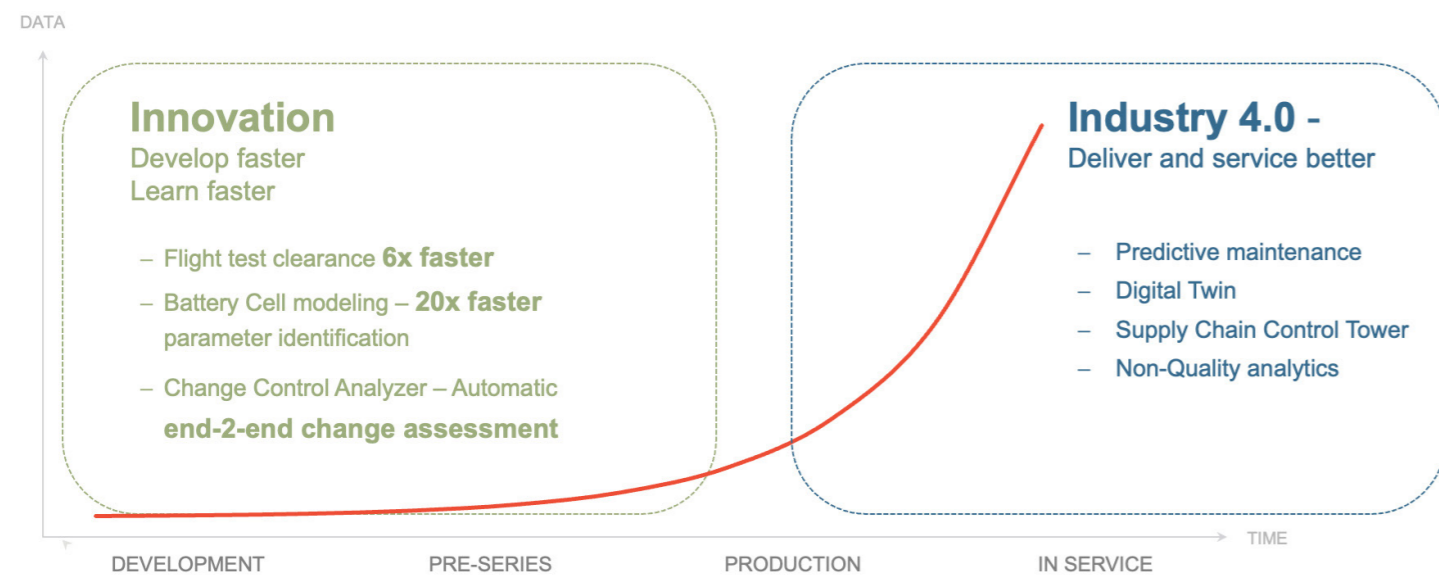


The time to analyze ... we reduced by a factor of 6x. We could fly more often. We could learn faster.



Yves Yemsi
COO of Lilium

At Lilium, we also leverage Foundry to drive innovation even faster





There are 15,000 souls that would not have been able to be evacuated [from Afghanistan] unless we had that foundation.

Colonel Jennifer Krolikowski
CIO of Space Systems Command



This year alone, we started 25 new supply chain projects — including announcements with Concordance, Micron, and a 5-year, \$20 million expansion with Hyundai Heavy Industries which brings our total contract value to \$45 million.



BUSINESS WIRE

Palantir and Concordance Announce Partnership to Power First, Fully Integrated Medical Supply Chain Ecosystem

October 3, 2022



BUSINESS WIRE

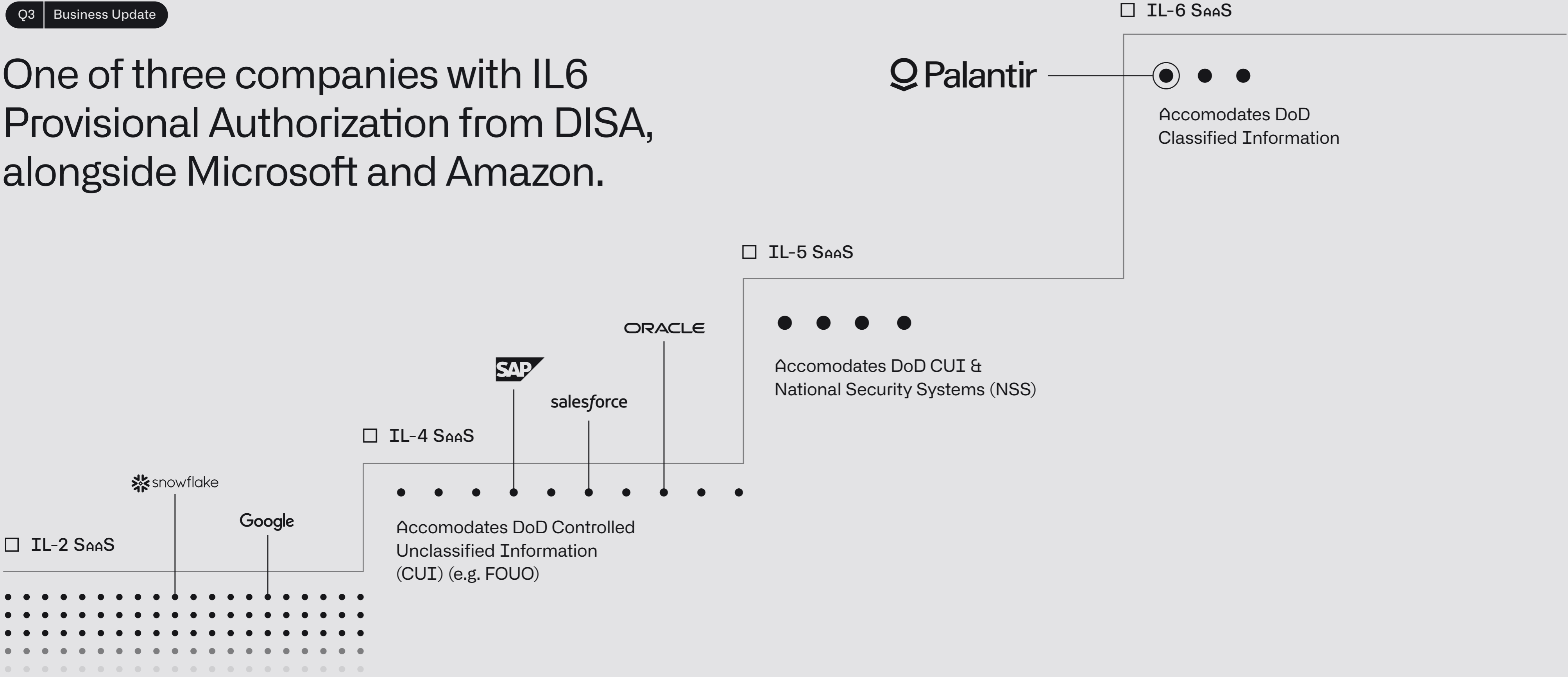
Palantir Technologies and Hyundai Heavy Industries Group Grow Partnership to +\$45M with Expansion into Shipbuilding

September 20, 2022

The Homes for Ukraine platform, powered by Foundry, has helped ensure the safe matching and resettlement of over 100,000 Ukraine refugees in the UK to date.

- 100,000+ visa holders have arrived in the UK
- 159,000+ visa applications received, with 137,200 visas issued
- 2,000+ users across all local authorities in England & Northern Ireland
- 190,000+ safeguarding checks logged in England & Northern Ireland

One of three companies with IL6 Provisional Authorization from DISA, alongside Microsoft and Amazon.



Note: Palantir's IL6 Provisional Authorization from DISA initially applies to the U.S. Army.

TITAN was on display at AUSA 2022.



IDC ranked Palantir No. 1 in worldwide AI software by 2021 market share and revenue, and Forrester named Palantir a leader in AI / ML platforms.



Palantir's AI solution-centric vision makes it an attractive platform for enterprises that wish to implement AI quickly... Reference customers appreciate the breadth of capabilities within the [Palantir Foundry] platform, particularly for the security and governance of ML which is critical in many environments.

The Forrester Wave™
AI/ML Platforms, Q3 2022



...Palantir has demonstrated its clear leadership in AI on a global scale from both a market share and revenue perspective and are on a trajectory to continue to do so. We predict that the growth of the AI sector is nowhere near slowing down and we're excited to see how Palantir continues to separate itself from the competition by solving the toughest business challenges out there with their platforms.

Ritu Jyoti
IDC's Group VP, AI and Automation.

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Financials

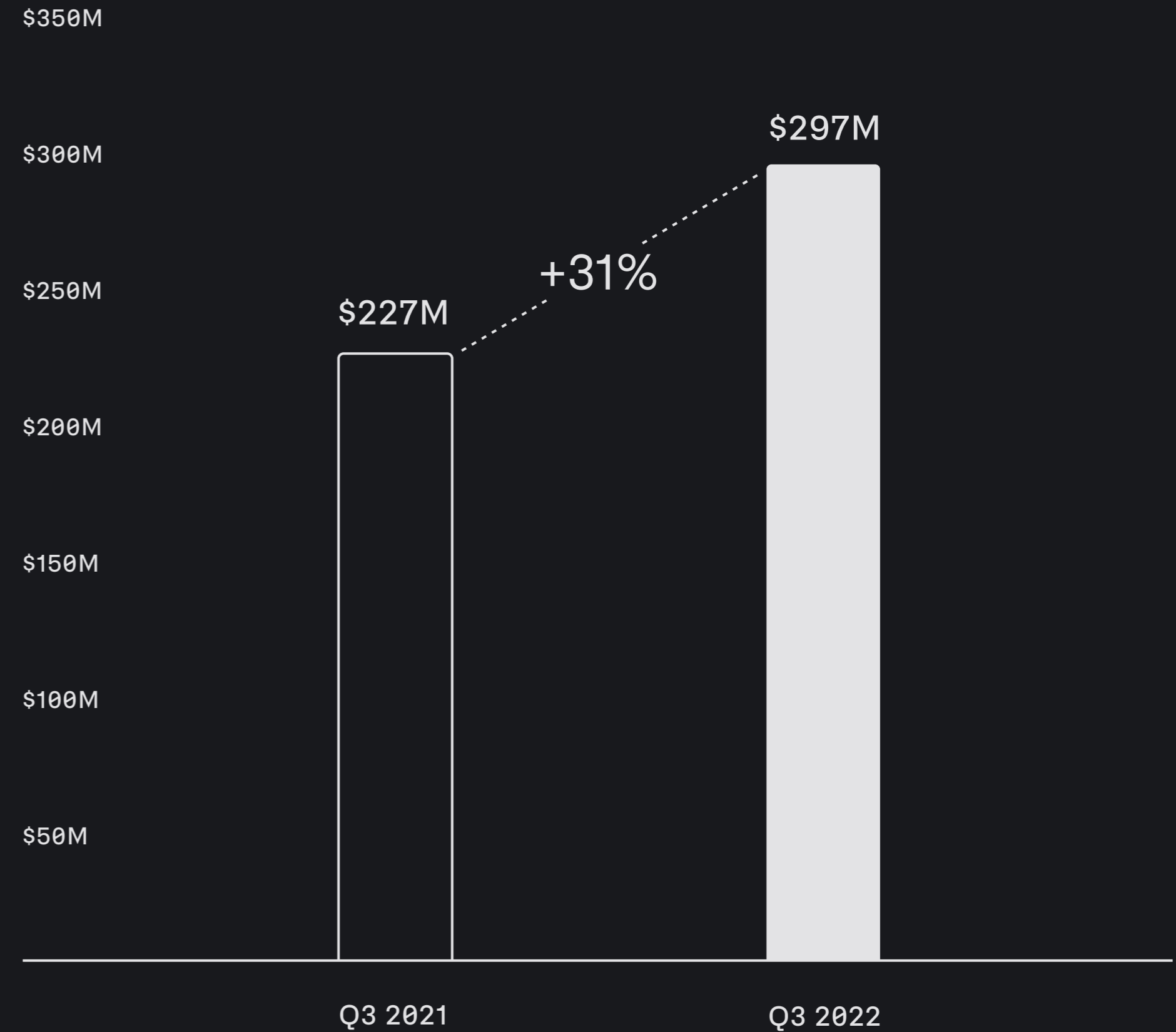


US business generated TTM revenue of

\$1.1B

for the period ended September 30, 2022.

Total US Revenue Growth

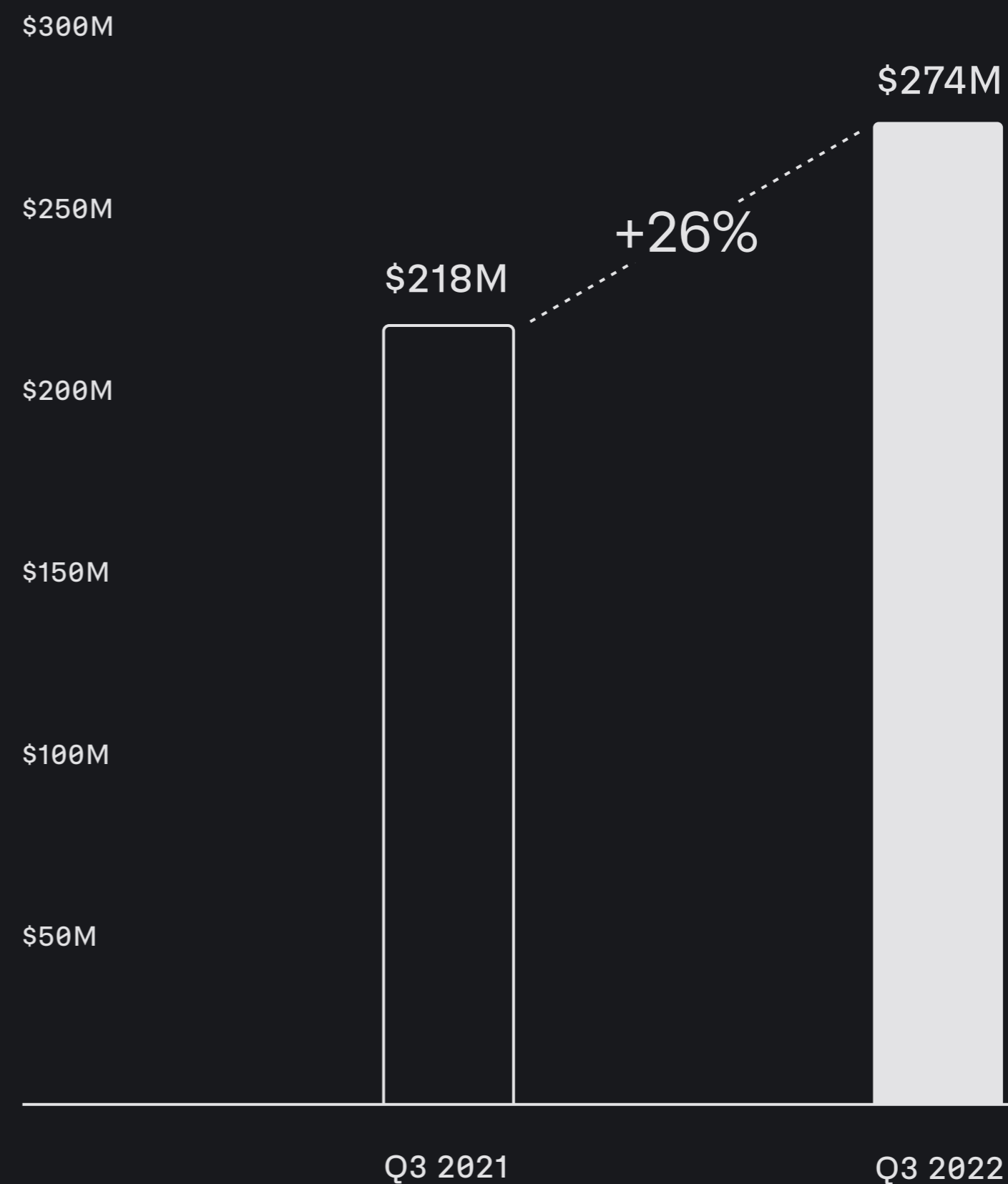


Government business generated TTM revenue of

\$1.02B

for the period ended September 30, 2022, surpassing the \$1B threshold for the first time.

Government Revenue Growth

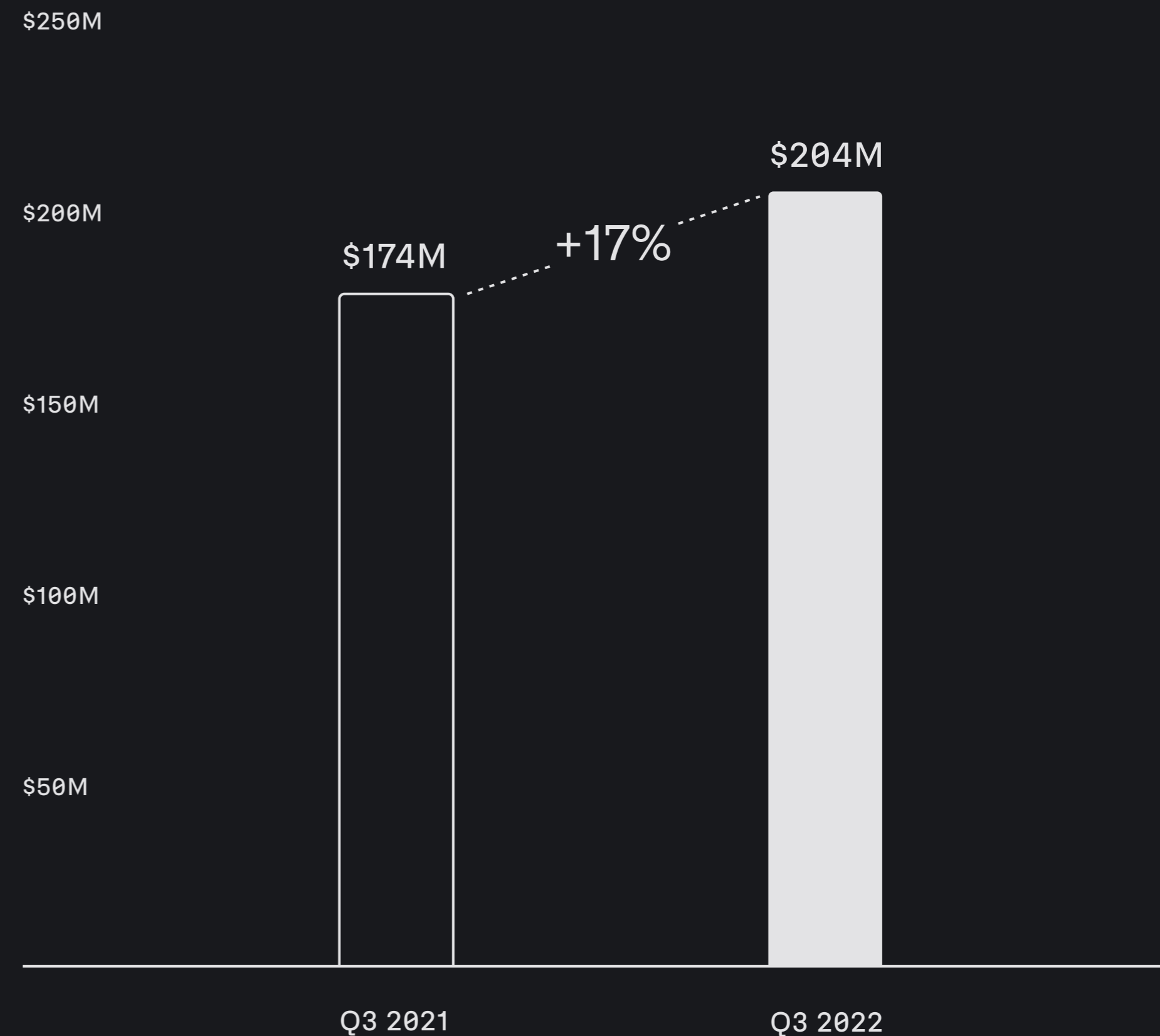


US Commercial revenue growth of

53%

year-over-year.

Total Commercial Revenue Growth

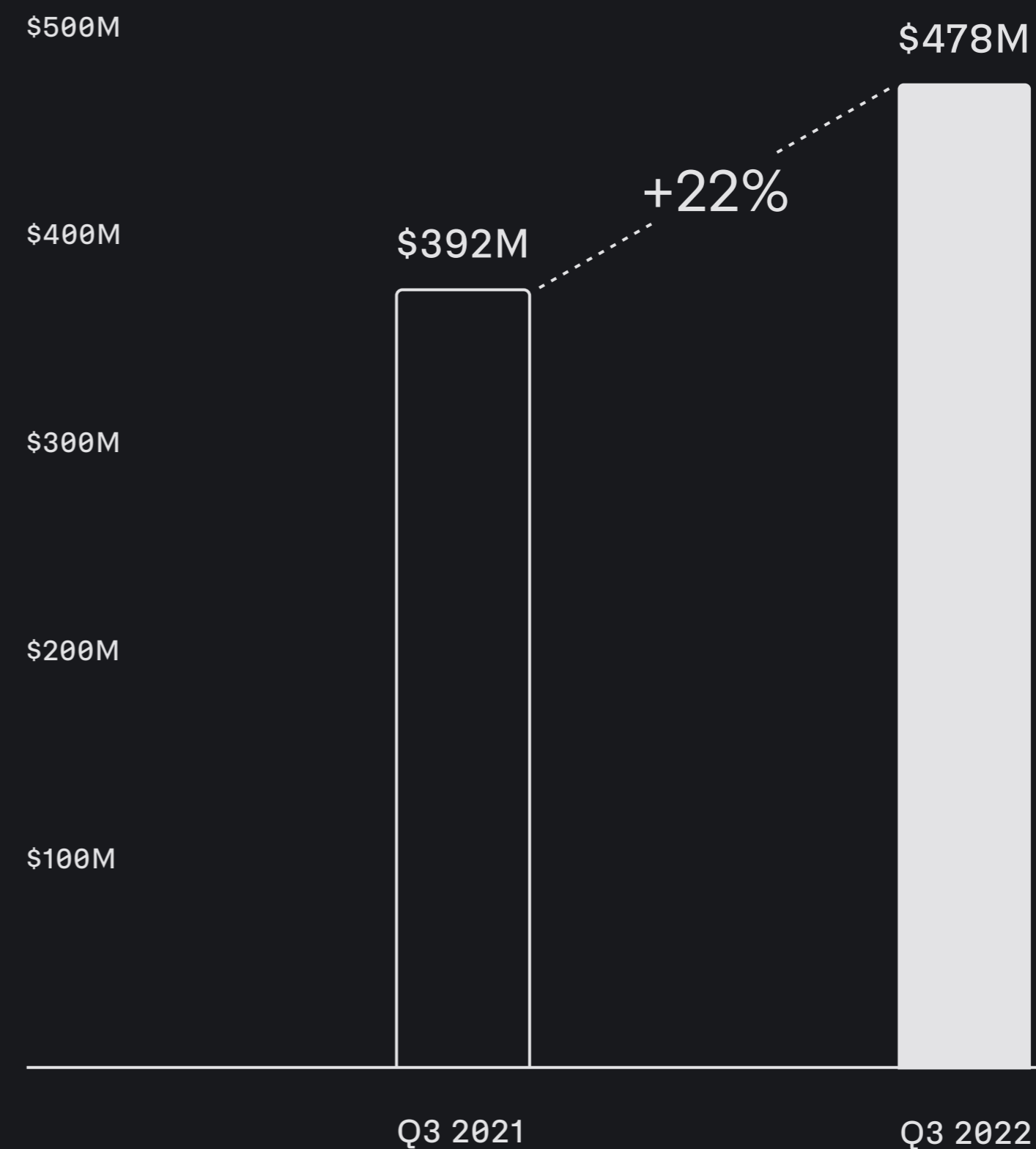


We ended Q3 2022 with net dollar retention of

119%.

Net dollar retention is calculated as (a) revenue for the trailing twelve months as of each period attributable to the customers as counted for the prior trailing twelve months divided by (b) revenue for the prior trailing twelve months recognized from those same customers. For the purpose of the foregoing definition of net dollar retention, "customers as counted for the prior trailing twelve months" refers to applicable organizations from which we have recognized revenue during the trailing twelve months ended September 30, 2021.

Q3 revenue grew by 22% year-over-year to \$478M

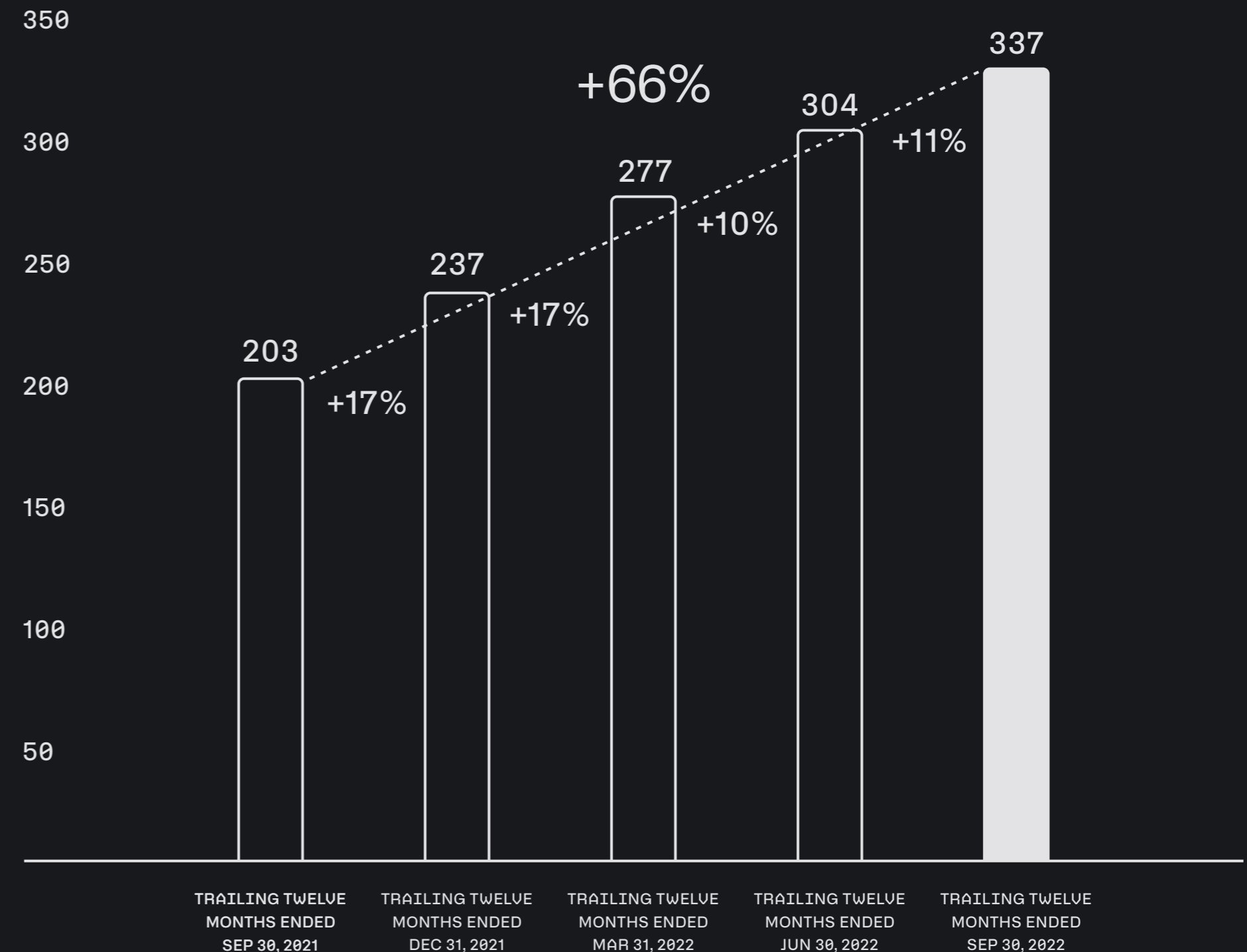


Our total customer count grew

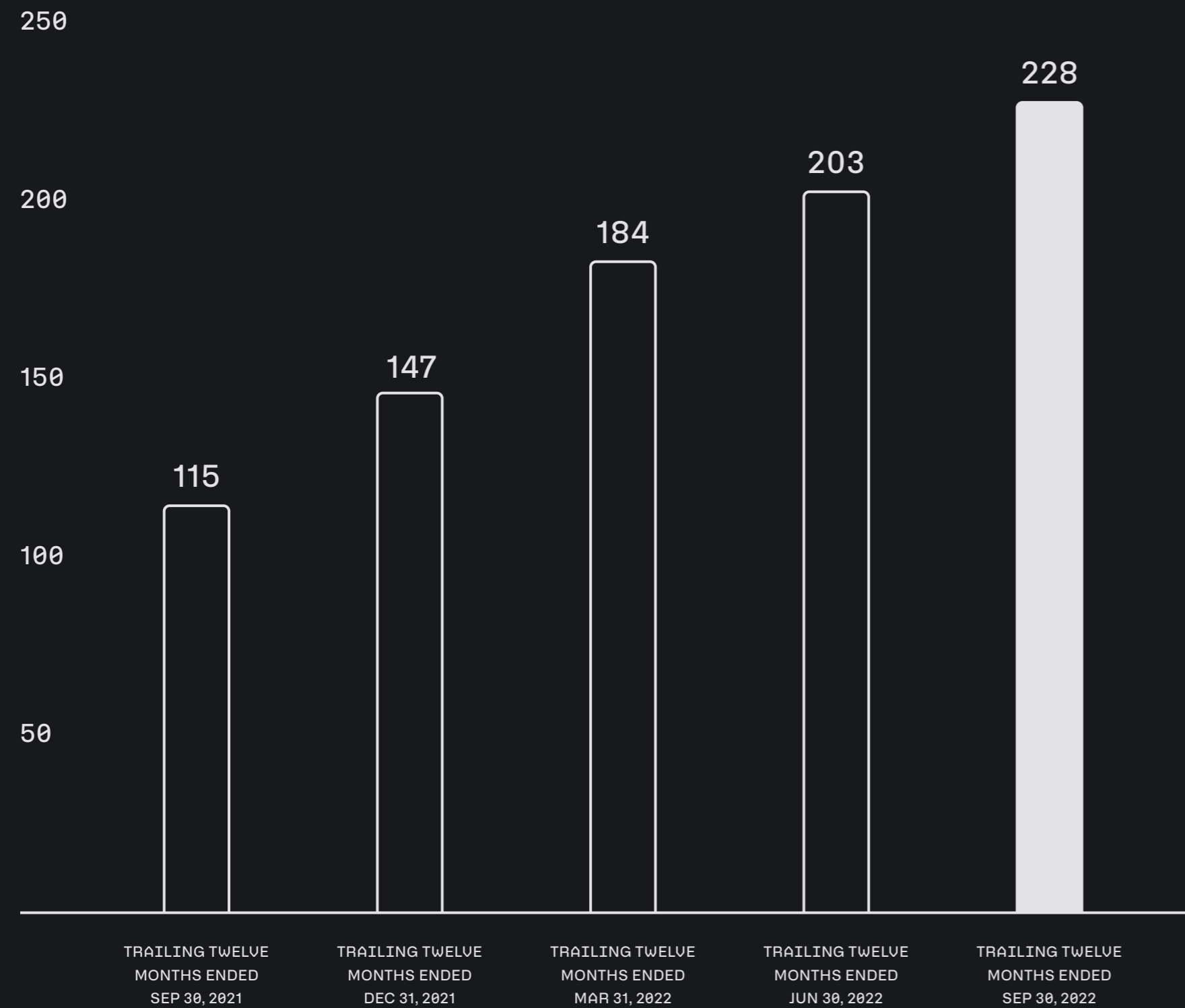
66%

year-over-year.

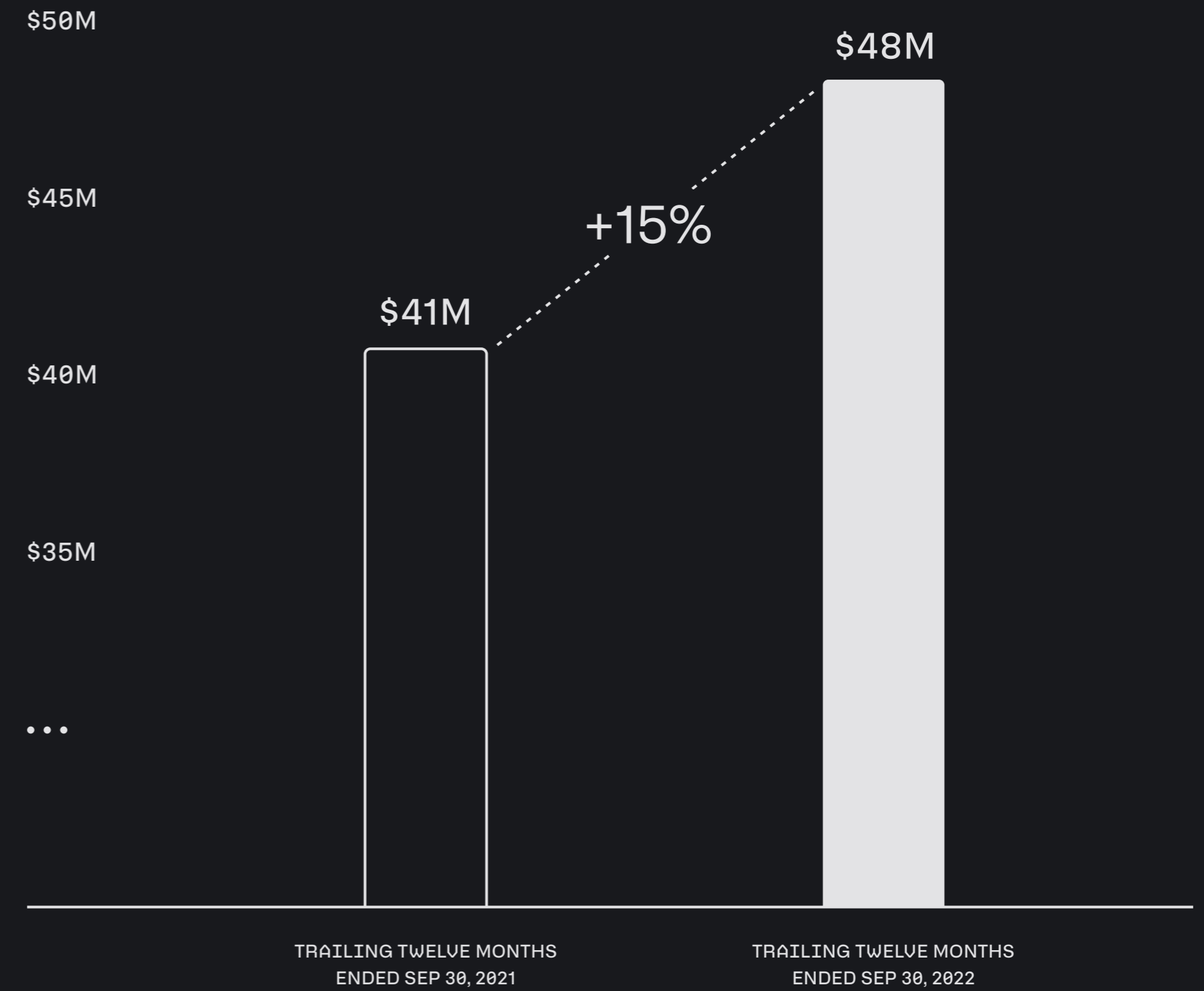
We added 33 net new customers in Q3 2022, with total customers up 11% quarter-over-quarter.



Commercial Customer Count

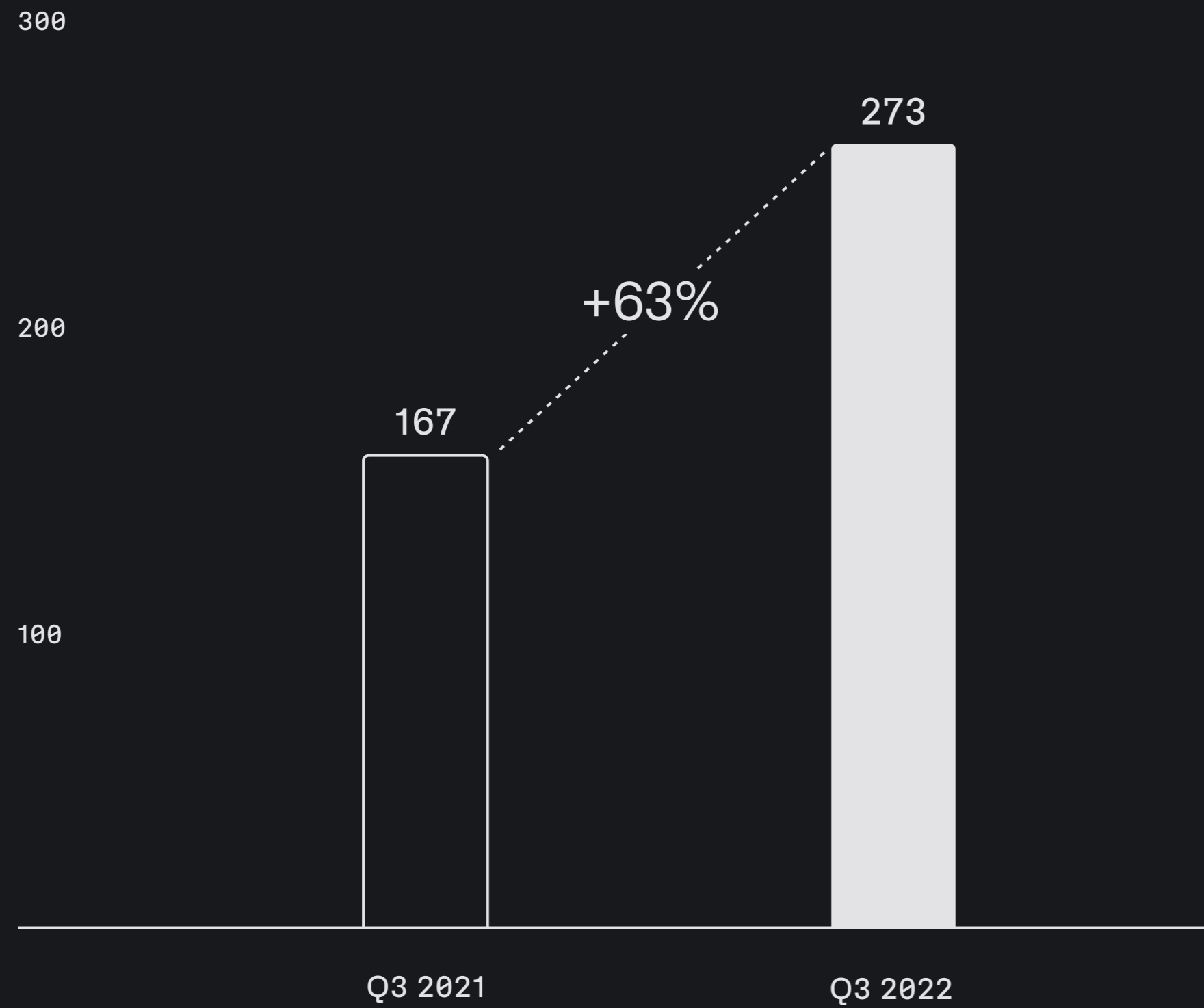


Average Revenue per Top 20 Customers

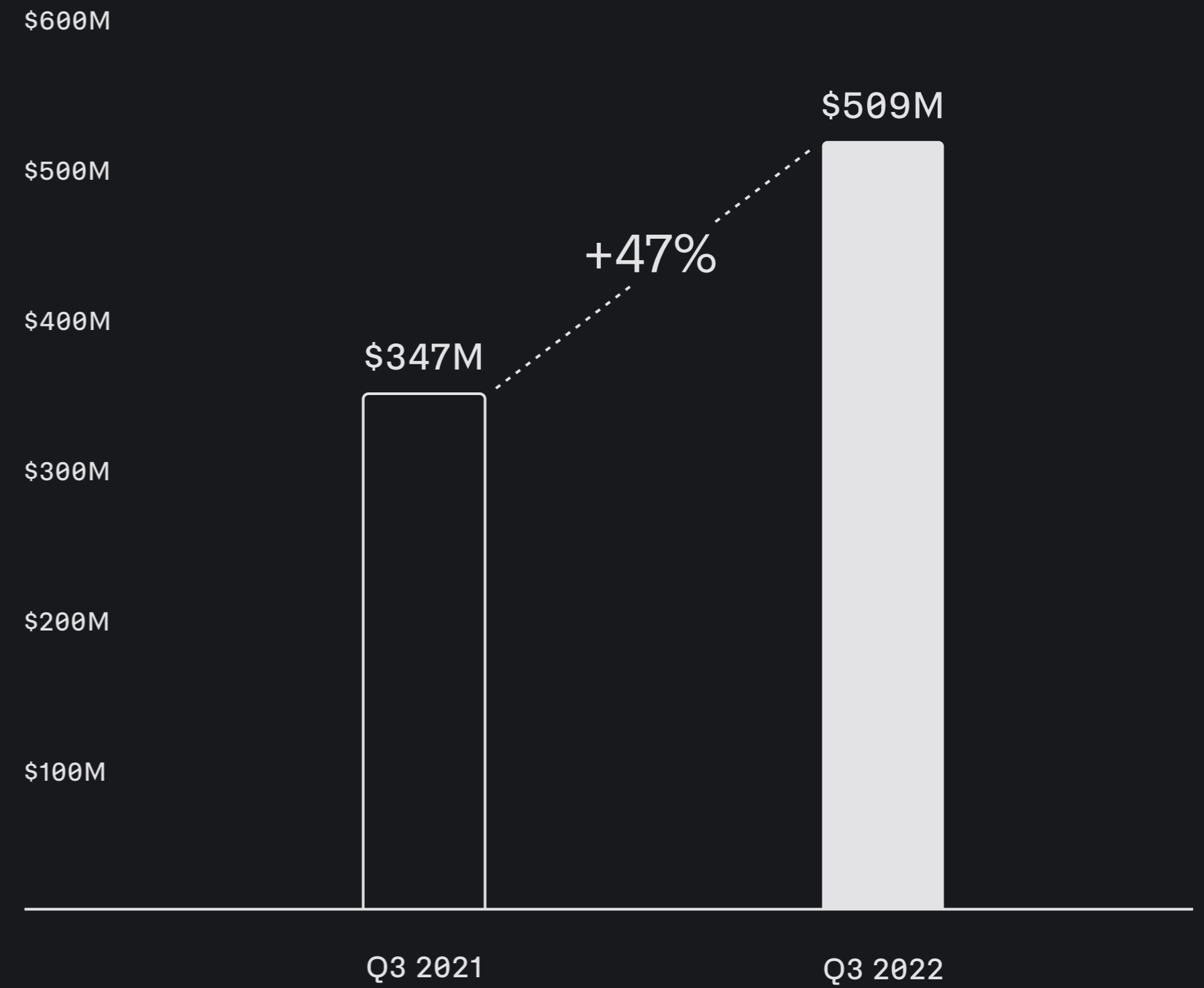


Average revenue per customer is defined as (a) the Company's trailing twelve months of revenue as of each period divided by (b) the number of customers from which that period's revenue was derived. Average revenue from our top twenty customers for each period presented is the average revenue recognized from the twenty customers with the greatest amount of revenue recognized in each respective period.

Deals Closed

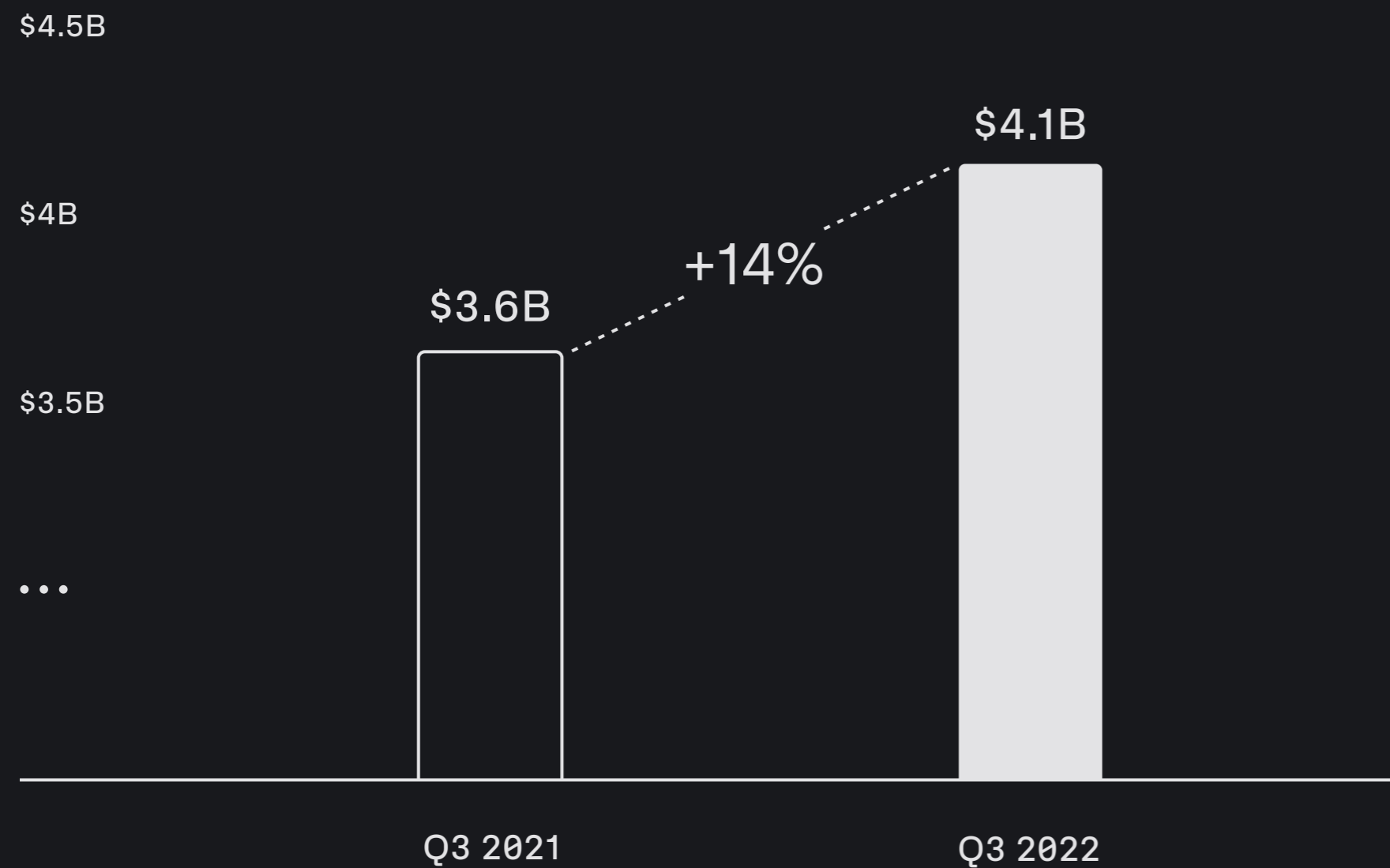


Billings

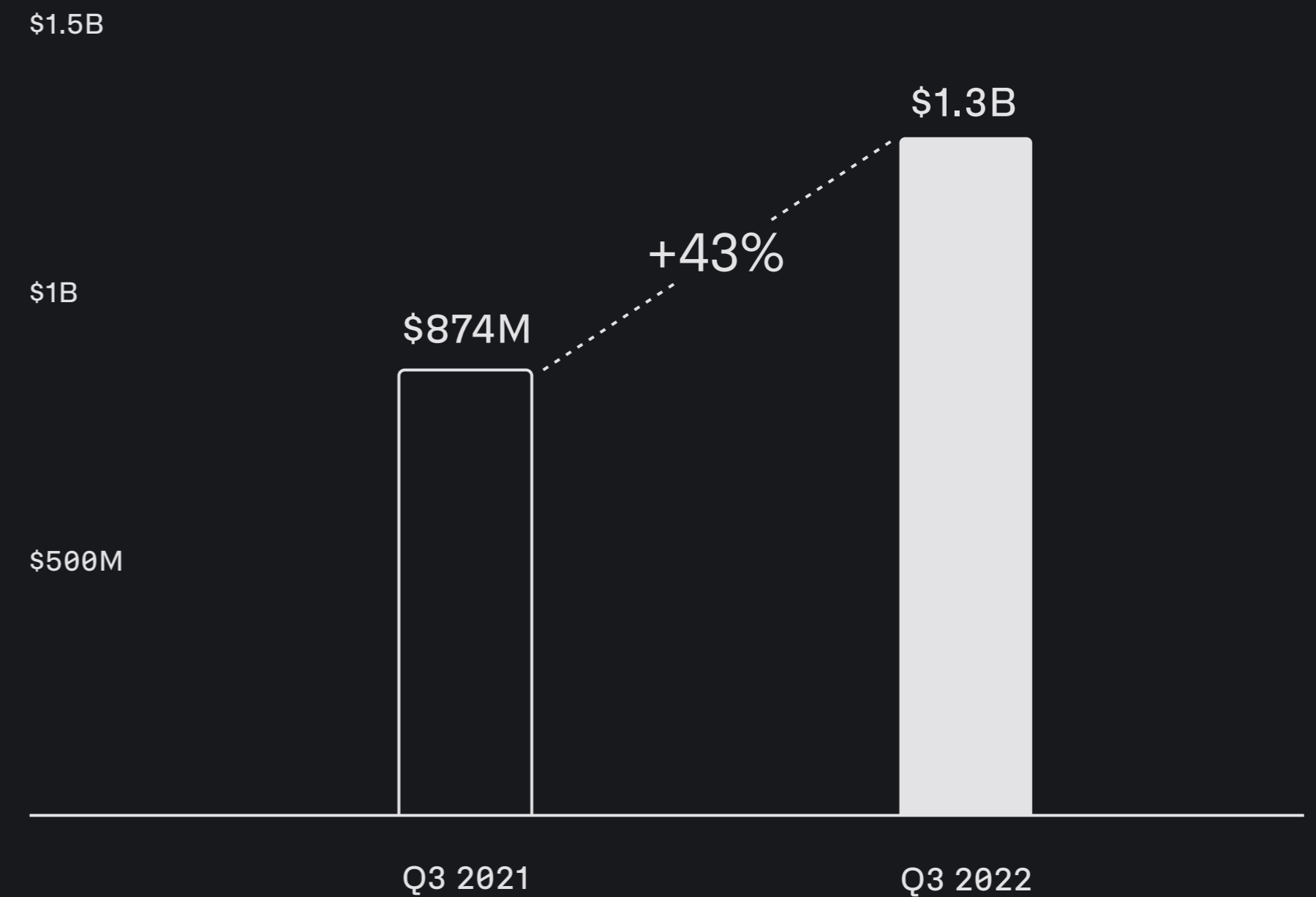


Billings is defined as revenue plus the change in contract liabilities for the period presented. Please see the appendix for reconciliations of these non-GAAP financial measures to the most directly comparable GAAP measures.

We ended Q3 2022 with \$4.1B in total remaining deal value, up +14% year-over-year



Remaining performance obligations grew 43% year-over-year to \$1.3B

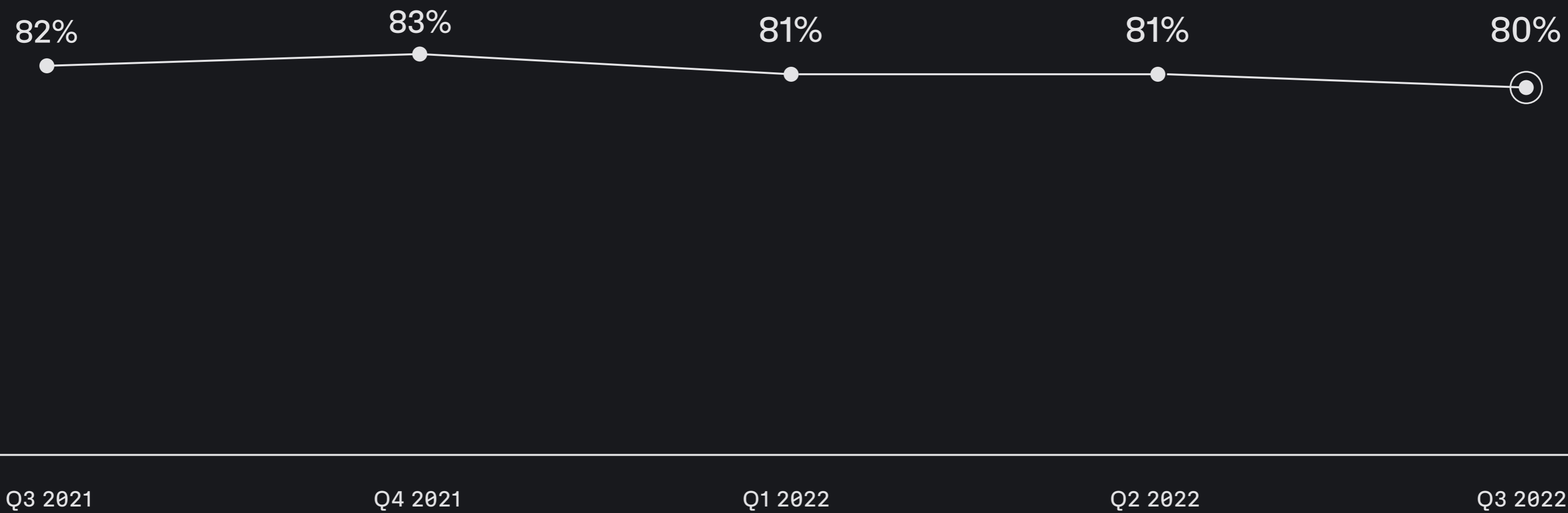


Total remaining deal value is the total remaining value of contracts that have been awarded by our government and commercial customers and includes existing contractual obligations and unexercised contract options available to those customers. Total remaining deal value presumes the exercise of all contract options and no termination of contracts; however, the majority of our contracts are subject to termination provisions, including for convenience, and there can be no guarantee that contracts are not terminated or that contract options will be exercised. Included in the \$4.1 billion of total remaining deal value is the following activity as of September 30, 2022: 1) \$755 million of maximum potential revenue from commercial contracts with corresponding approved investment agreements, less 2) \$99 million of revenue recognized from such commercial contracts during the nine months ended September 30, 2022.

Remaining performance obligations represent non-cancelable contracted revenue that has not yet been recognized, which includes deferred revenue and, in certain instances, amounts that will be invoiced. We have elected the practical expedient, as permitted under Accounting Standards Codification 606 - Revenue from Contracts with Customers - allowing us to not disclose remaining performance obligations for contracts with original terms of twelve months or less.

Adjusted Gross Margins

Adjusted Gross Margin

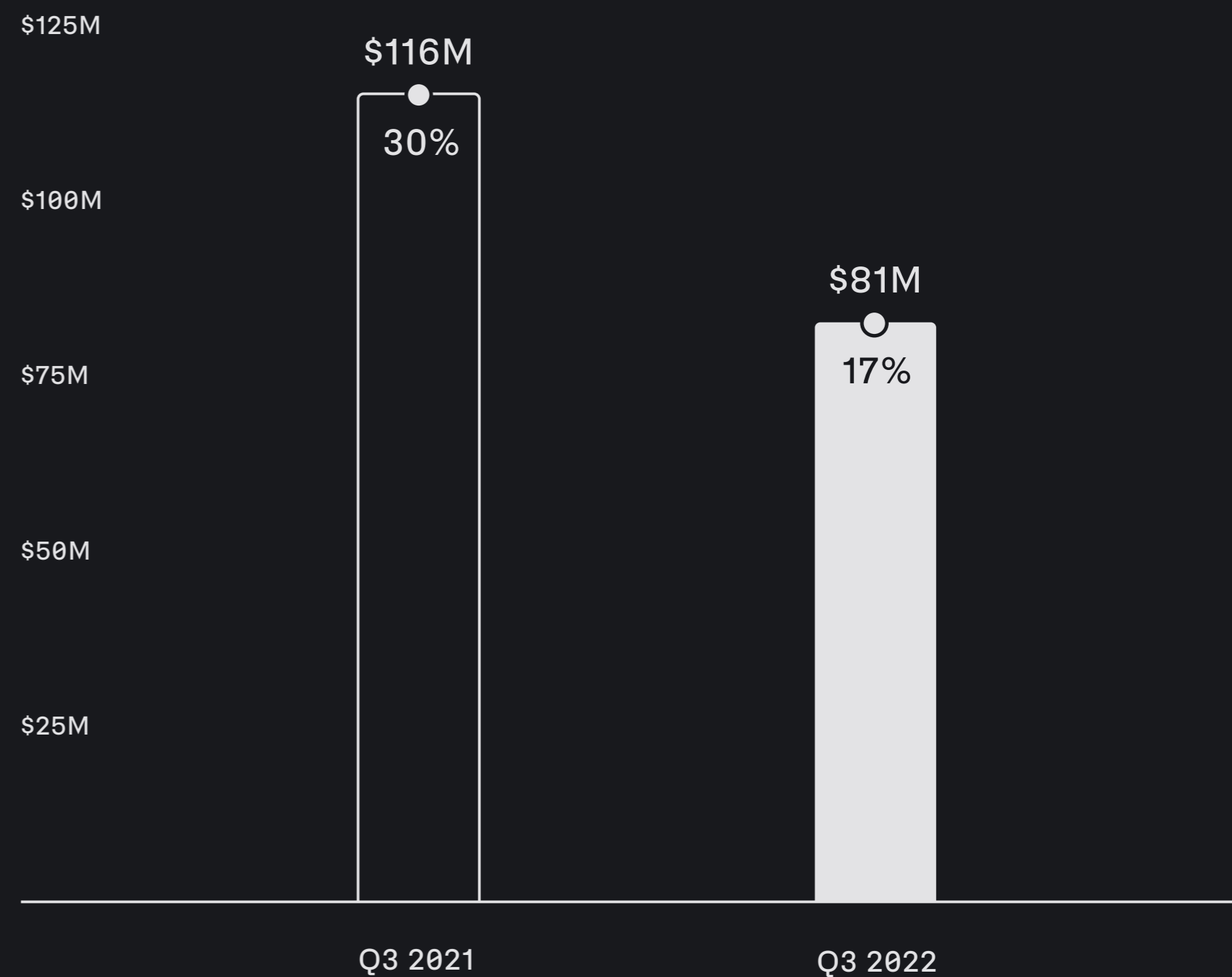


Adjusted gross margin excludes stock-based compensation. Adjusted gross margin is a non-GAAP financial measure. Please see the appendix for the reconciliation of this non-GAAP financial measure to the most directly comparable GAAP measure.

We are continuing to invest in our business to position the company and our customers to win.

Q3 2022 adjusted operating income was \$81M, representing a margin of 17%.

● Adjusted Operating Margin

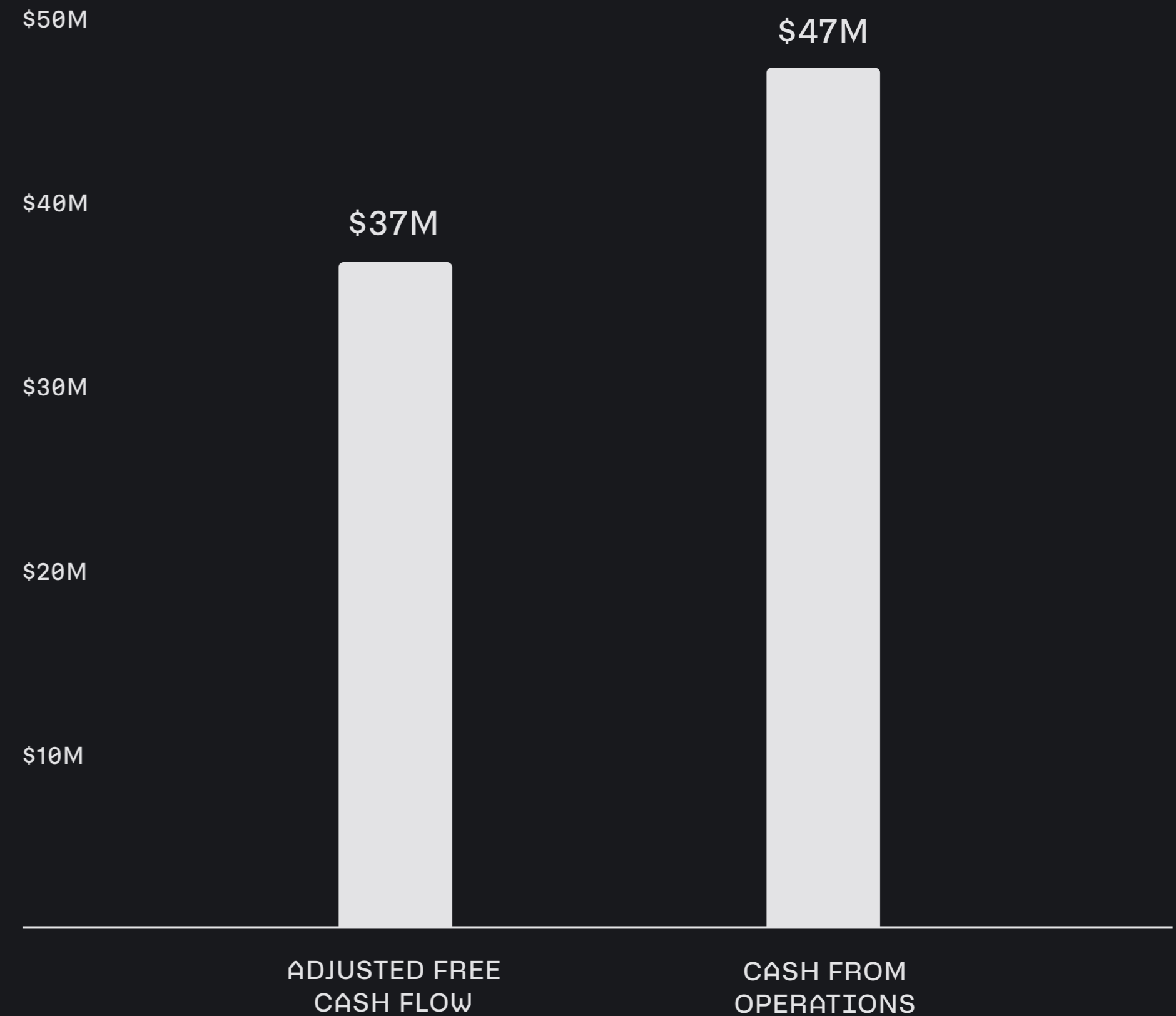


Adjusted operating margin excludes stock-based compensation and related employer payroll taxes. Please see the appendix for reconciliations of this and other non-GAAP financial measures to the most directly comparable GAAP measures.

We ended the third quarter of 2022 with \$2.4B in cash and no debt.

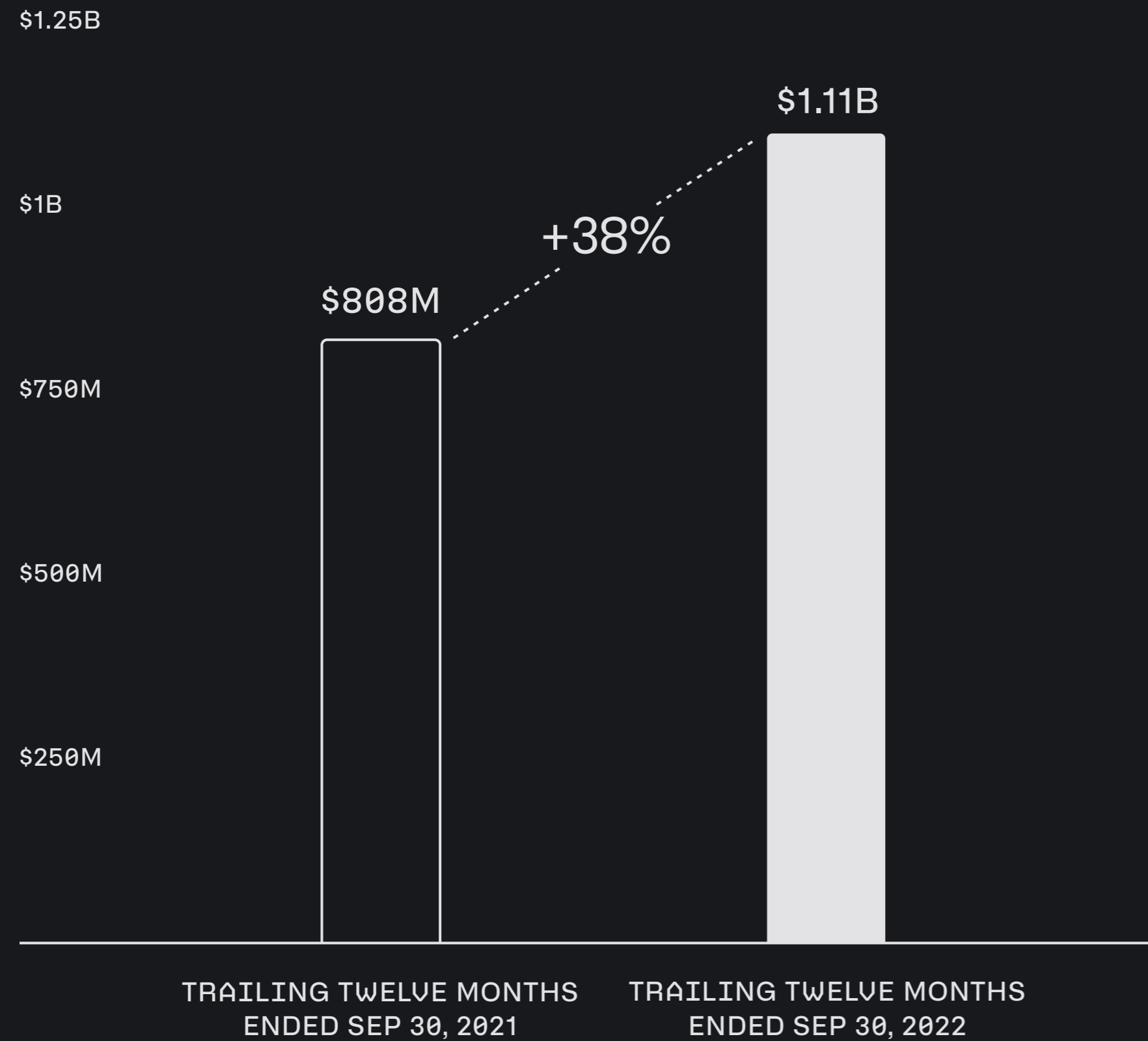
As of September 30, 2022, we maintained total undrawn commitments of \$950M.

Q3 2022 Adjusted Free Cash Flow and Cash from Operations

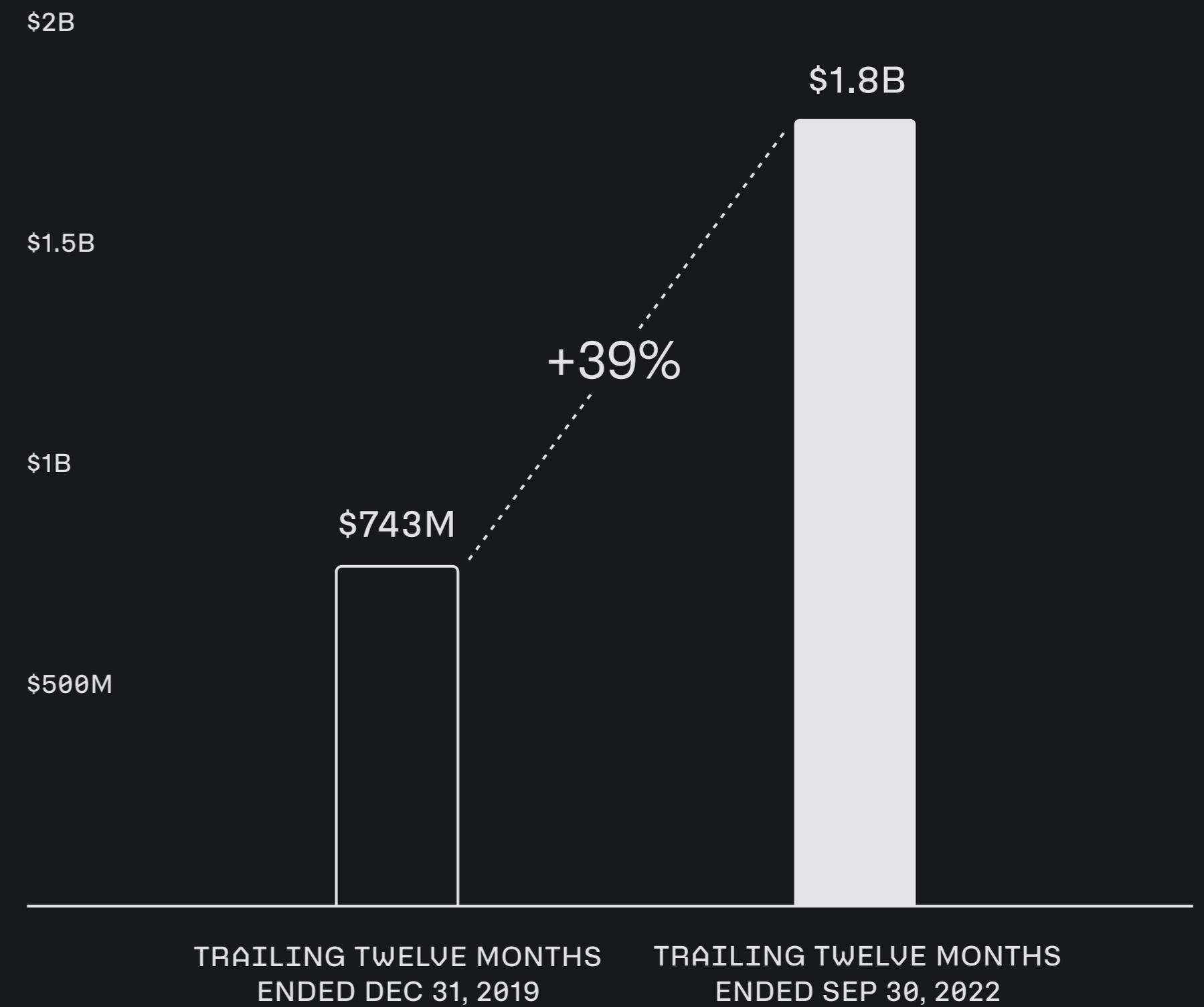


Adjusted free cash flow excludes employer payroll taxes related to stock-based compensation and purchases of property and equipment. Please see the appendix for a reconciliation of this non-GAAP financial measure to the most directly comparable GAAP measure.

Total US Revenue Growth



TTM Revenue CAGR of 39% since the start of 2019



Guidance

FY 2022

We are reaffirming our revenue guidance of between **\$1.9 billion – \$1.902 billion** despite a negative \$6 million currency impact since our prior quarter's guidance.

→ Excluding such impact, we would expect full year 2022 revenue of between **\$1.906 billion – \$1.908 billion.**

We are raising our outlook for adjusted income from operations to between **\$384 million – \$386 million.**

Q4 2022

After factoring in a negative \$5 million currency impact since our prior quarter's guidance, we expect revenue of between

\$503 million – \$505 million.

→ Excluding such impact, we would expect fourth quarter revenue of between **\$508 million – \$510 million.**

We expect adjusted income from operations of between **\$78 million – \$80 million.**

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Appendix A



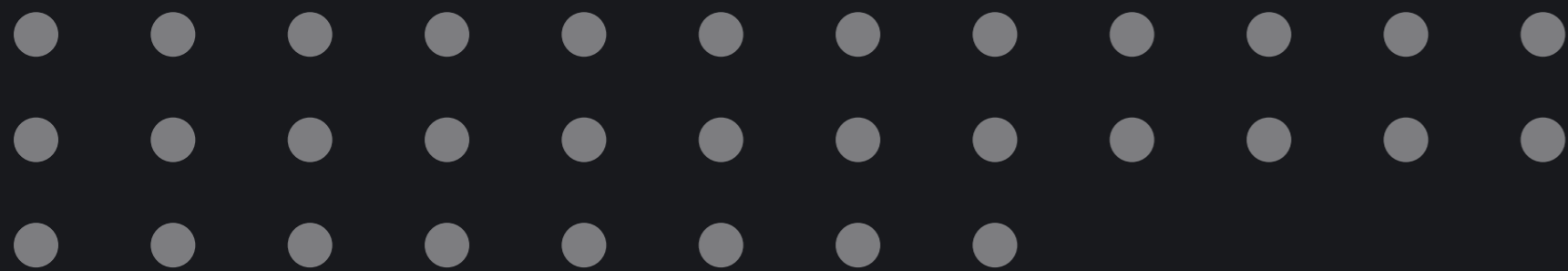
During Q3 2022, we closed

78 deals

of at least \$1 million.

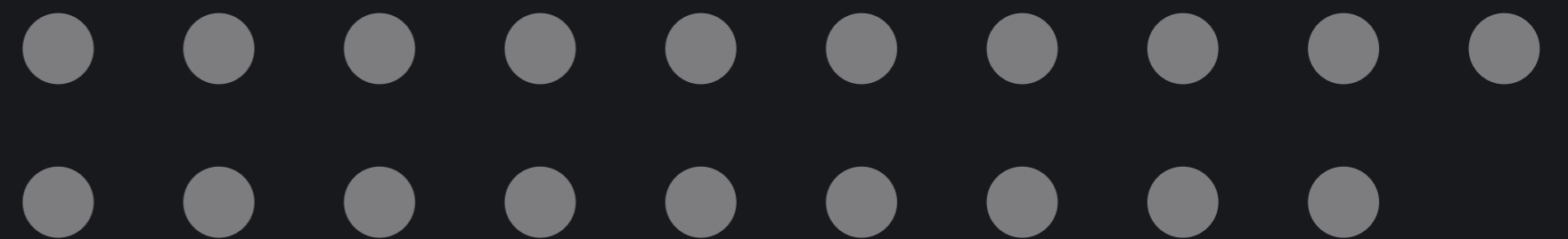
32

of which were at least \$5 million.



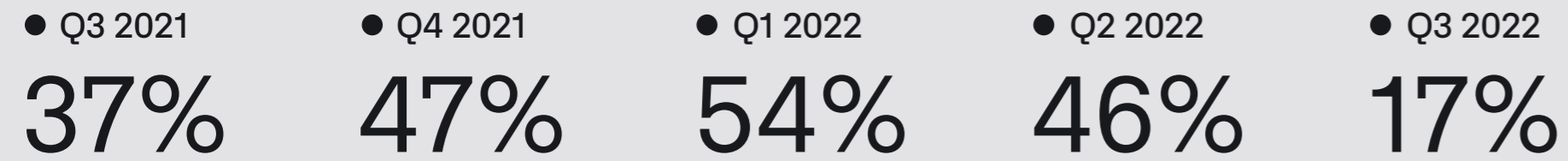
19

of which were at least \$10 million.

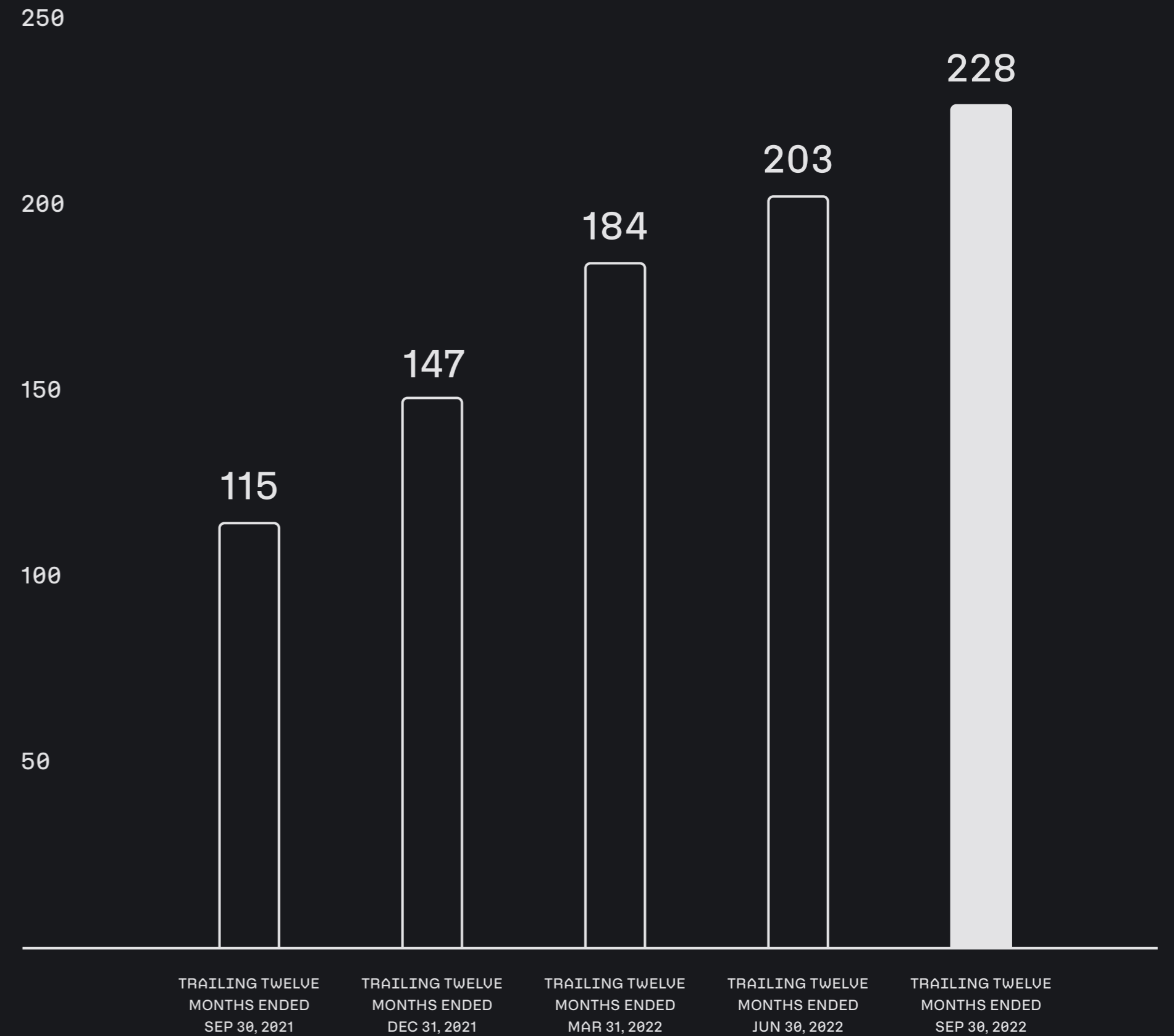


Commercial

Commercial revenue growth year-over-year



Commercial Customer Count

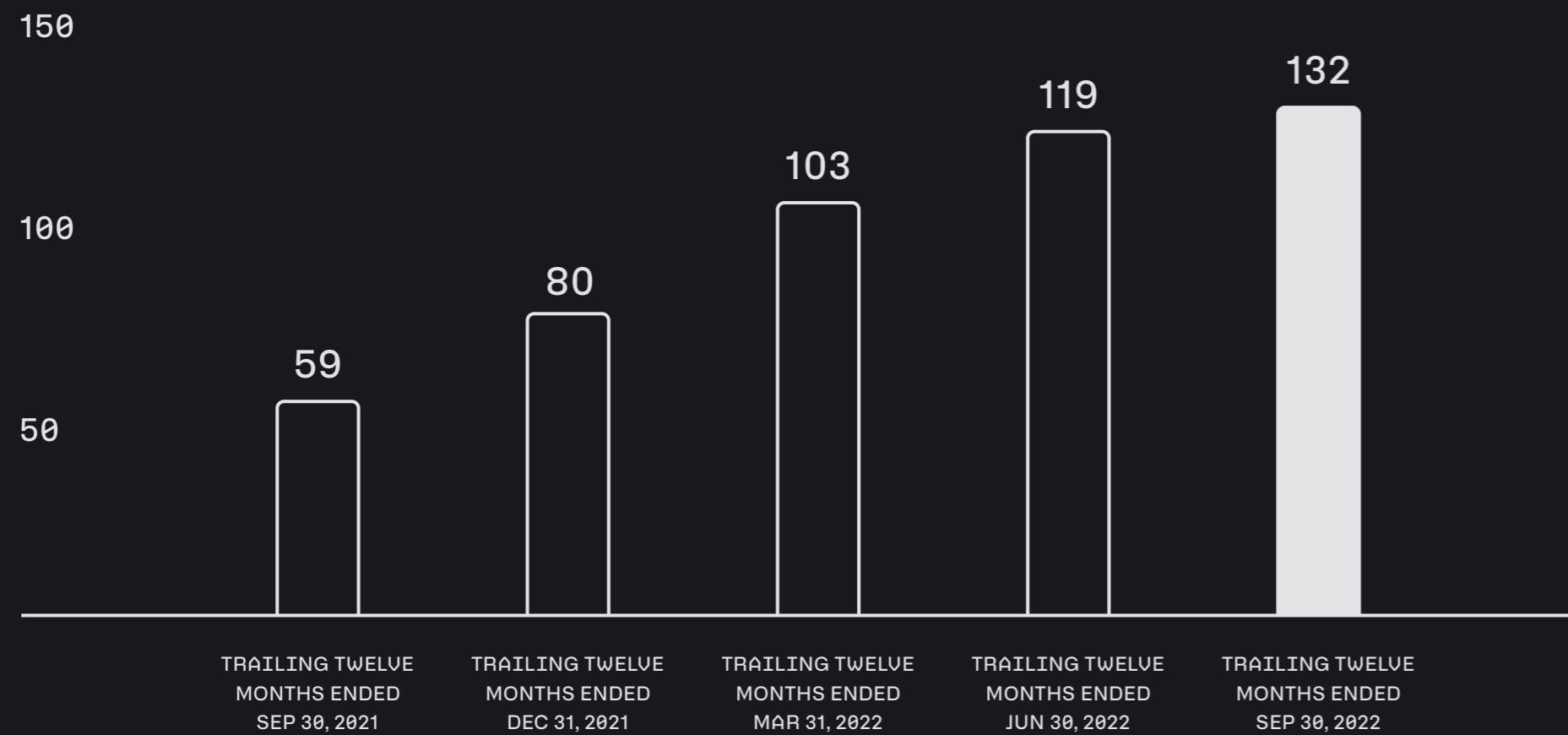


US Commercial

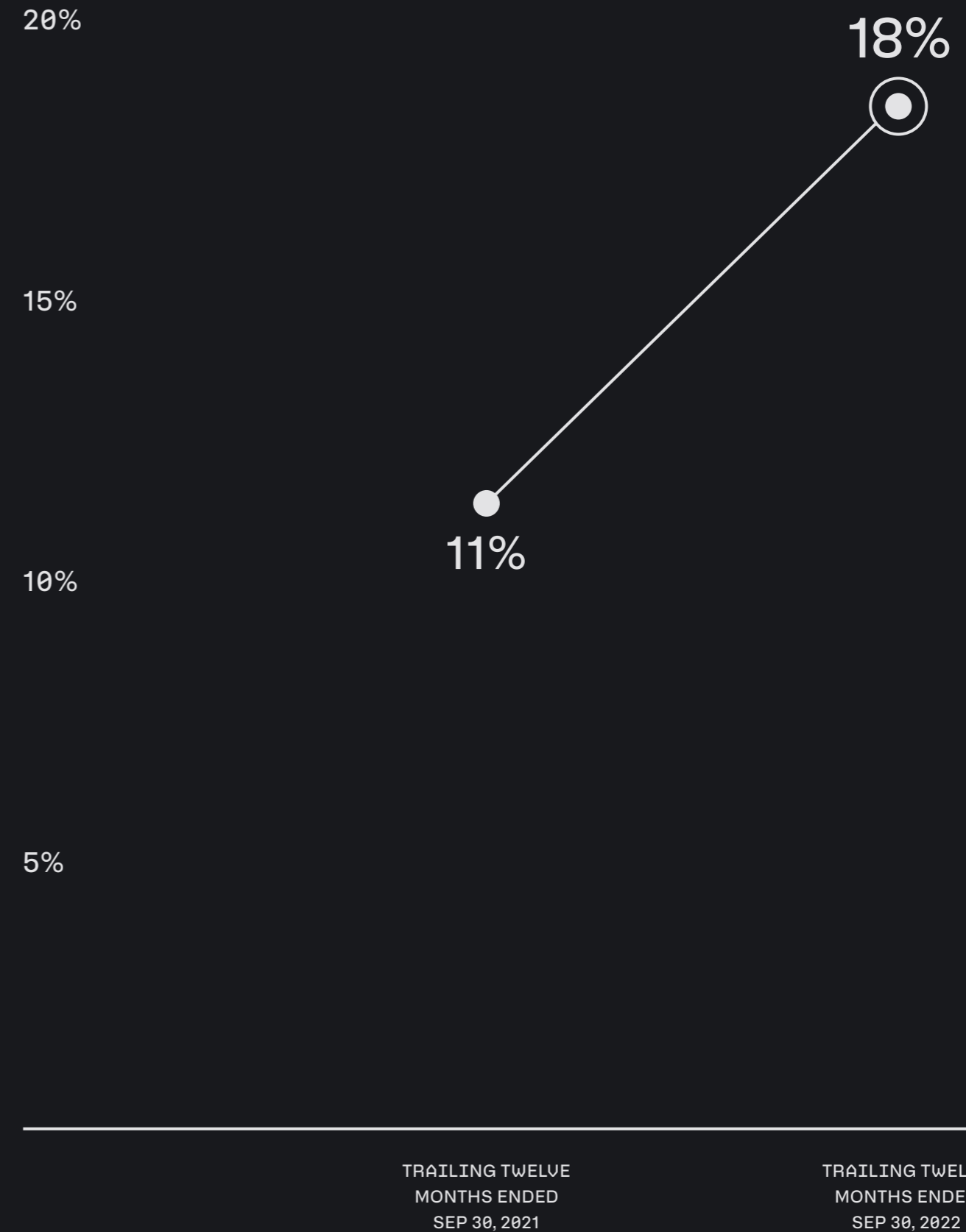
US Commercial revenue growth year-over-year

● Q3 2021 ● Q4 2021 ● Q1 2022 ● Q2 2022 ● Q3 2022
103% **132%** **136%** **120%** **53%**

US Commercial Customer Count

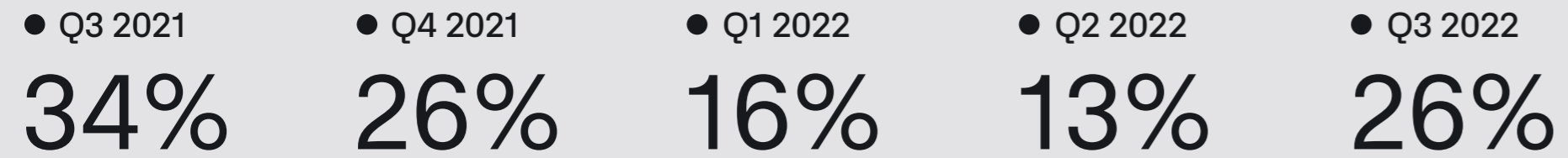


US Commercial (%) of Overall Revenue

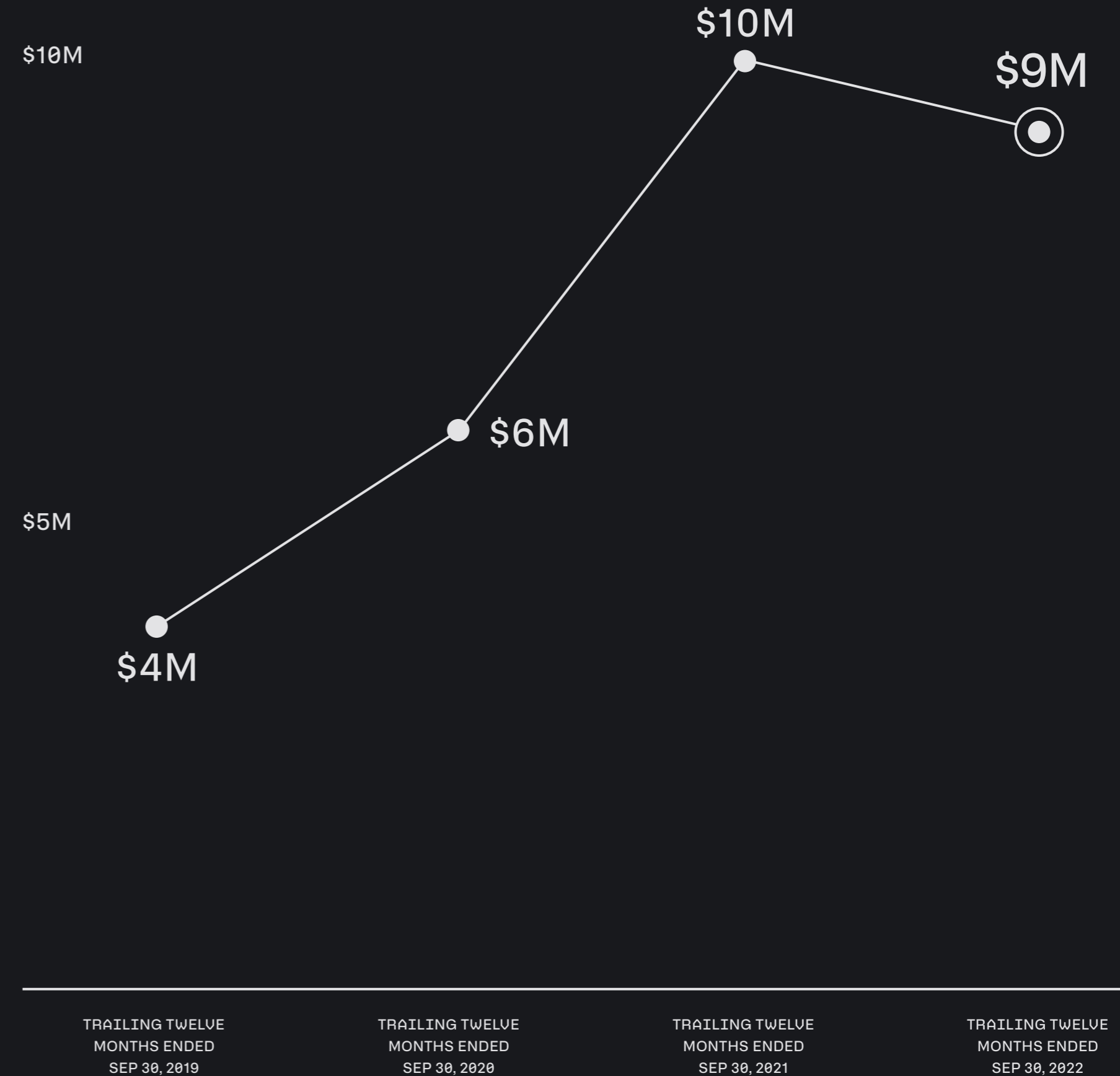


Government

Government revenue growth year-over-year



Government TTM Revenue per Customer



TTM revenue per customer is defined as (a) the Company's trailing twelve months of revenue for the respective segment as of each period end divided by (b) the number of customers in the respective segment from which that period's revenue was derived.

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Appendix B



Reconciliation of Cash Flow from Operating Activities to Adjusted Free Cash Flow and Adjusted Free Cash Flow Margin

Adjusted free cash flow margin is calculated as adjusted free cash flow divided by revenue

(\$ THOUSANDS)	Q3 2021	Q3 2022
Cash Flow from Operating Activities	\$ 100,793	\$ 47,066
Add:		
Cash Paid for Employer Payroll Taxes Related to Stock-Based Compensation	23,717	3,930
Less:		
Cash Used to Purchase Property and Equipment	(5,377)	(14,436)
Adjusted Free Cash Flow	\$ 119,133	\$ 36,560
Adjusted Free Cash Flow Margin	30%	8%

Reconciliation of Gross Profit to Adjusted Gross Profit and Adjusted Gross Margin

Excluding Stock-Based Compensation

Adjusted gross margin is calculated as adjusted gross profit divided by revenue

(\$ THOUSANDS)	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022
Gross Profit	\$ 305,342	\$ 345,304	\$ 351,954	\$ 370,786	\$ 370,269
Add:					
Stock-Based Compensation	14,860	13,680	11,677	11,211	10,525
Adjusted Gross Profit	\$ 320,202	\$ 358,984	\$ 363,631	\$ 381,997	\$ 380,794
Adjusted Gross Margin	82%	83%	81%	81%	80%

Reconciliation of Loss from Operations to Adjusted Operating Income and Adjusted Operating Margin

Excluding Stock-Based Compensation and Related Employer Payroll Taxes

(\$ THOUSANDS)	Q3 2021	Q3 2022
Loss from Operations	\$ (91,941)	\$ (62,191)
Add:		
Stock-Based Compensation	184,835	140,308
Employer Payroll Taxes Related to Stock-Based Compensation	23,215	3,133
Adjusted Operating Income	\$ 116,109	\$ 81,250
Adjusted Operating Margin	30%	17%

Reconciliation of GAAP Net Loss Per Share, Diluted to Adjusted Earnings Per Share, Diluted

(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)	Q3 2021	Q3 2022
GAAP Net Loss	\$ (102,137)	\$ (123,875)
Add / (Less):		
Stock-Based Compensation	184,835	140,308
Employer Payroll Taxes Related to Stock-Based Compensation	23,215	3,133
Income Tax Effects and Adjustments [1]	(23,834)	(3,491)
Adjusted Net Income Attributable to Common Stockholders, Diluted	\$ 82,079	\$ 16,075
Weighted-Average Shares Used in Computing GAAP Net Loss Per Share, Diluted	1,964,395	2,073,265
Adjusted Weighted-Average Shares Used in Computing Adjusted Earnings Per Share, Diluted [2]	2,341,270	2,142,506
Adjusted Earnings Per Share, Diluted	\$ 0.04	\$ 0.01

[1] Income tax effect is based on an estimated long-term annual effective tax rate of 22.2% for the periods ended 2022 and 2021. The Company's estimated long-term annual effective tax rate excludes certain non-cash items, such as stock-based compensation, and is used in order to provide consistency across periods by eliminating the effects of certain items, such as changes in the tax valuation allowance.

[2] Includes an additional 69 million and 101 million dilutive securities for the three and nine months ended September 30, 2022, respectively, and an additional 377 million and 436 million dilutive securities for the three and nine months ended September 30, 2021, respectively, that were excluded from a GAAP perspective due to the Company's net loss position.

Reconciliation of Revenue to Billings

(\$ THOUSANDS)	Q3 2021	Q3 2022
Revenue	\$ 392,146	\$ 477,880
Change in Contract Liabilities	(45,244)	30,807
Billings	\$ 346,902	\$ 508,687

Reconciliation of Cost of Revenue and Total Operating Expenses to Adjusted Expenses

(\$ THOUSANDS)	Q2 2022	Q3 2022
Total Expenses	\$ 514,755	\$ 540,071
Less:		
Stock-Based Compensation	145,769	140,308
Employer Payroll Taxes Related to Stock-Based Compensation	3,825	3,133
Adjusted Expenses	\$ 365,161	\$ 396,630

Calculations of Foreign Exchange Rate Impacts

Adjusted to exclude the effect of foreign currency rate fluctuations

(\$ THOUSANDS)	Q3 2022	Q4 2022 GUIDANCE MIDPOINT	FY 2022 GUIDANCE MIDPOINT
Revenue	\$ 477,880	\$ 503,753	\$ 1,901,000
Add:			
Currency Impact [1]	1,359	4,607	5,966
Revenue with Currency Impact	\$ 479,239	\$ 508,360	\$ 1,906,966

[1] The currency impact is calculated by applying (i) the difference between the currency rates in effect for the initial month of the current period and the currency rates in effect or anticipated to be in effect for each subsequent month of the impacted period to (ii) the actual or expected revenue associated with such month of the impacted period.